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**Kate Kiernan**

Regional Vice President, State Relations

Testimony of the American Council of Life Insurers  
Before the Joint Committee on Labor & Public Employees  
Tuesday, February 26, 2013

**House Bill 6148 - An Act Providing Protection to Retirees from Discrimination  
in Pension Derisking Transactions**

Senator Osten, Representative Tercyak, and members of the Joint Committee on Labor & Public Employees, the American Council of Life Insurers (ACLI) appreciates the opportunity to offer the following comments on **House Bill 6148 - An Act Providing Protection to Retirees from Discrimination in Pension Derisking Transactions**. ACLI aligns its comments with those of the Insurance Association of Connecticut (IAC) in opposition to this proposed legislation.

House Bill 6148 is not necessary and would interfere with already strong requirements contained in the Employee Retirement Income Security Act (ERISA). Any proposed statutory amendments, such as the items suggested in the legislation before you, should be taken up at the federal level.

Under ERISA, fiduciary standards and obligations are well-developed. These standards govern the choices a fiduciary has in picking plan providers, including an annuity provider.

Moreover, the proposed requirement regarding guaranty association coverage for these pension benefits would have significant ramifications to many of our members. By our calculations, the proposed coverage amount for these pension benefits would well exceed Connecticut's current \$500,000 guaranty fund coverage limit for annuity benefits. Guaranty association coverage is funded by assessments on Connecticut licensed insurers and any increase in the coverage limits would have a proportionally negative effect on those insurers operating in Connecticut. We, therefore, urge this Committee not to increase the state's \$500,000 annuities coverage limit for pension derisking transactions.

Thank you for your consideration of our position in opposition to House Bill 6148. Please contact John Larkin at (860) 508-9924 or Kate Kiernan at (202) 624-2463 with any questions.

*ACLI is a trade association with more than 300 legal reserve life insurer and fraternal benefit society member companies operating in the United States. ACLI members represent more than 90 percent of the assets and premiums of the life insurance and annuity industry. There are 233 ACLI member companies licensed to do business in Connecticut, accounting for 90 percent of the ordinary life insurance in force in the state.*

**American Council of Life Insurers**

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